VZCZCXRO4574 RR RUEHRG DE RUEHBR #0791/01 1702100 ZNY CCCCC ZZH R 192100Z JUN 09 FM AMEMBASSY BRASILIA TO RUEHC/SECSTATE WASHDC 4544 INFO RUEHAC/AMEMBASSY ASUNCION 7576 RUEHBU/AMEMBASSY BUENOS AIRES 6275 RUEHLP/AMEMBASSY LA PAZ 6921 RUEHMN/AMEMBASSY MONTEVIDEO 7788 RUEHSG/AMEMBASSY SANTIAGO 0987 RUEHRG/AMCONSUL RECIFE 9686 RUEHRI/AMCONSUL RIO DE JANEIRO 7899 RUEHSO/AMCONSUL SAO PAULO 4244 RHEHNSC/NSC WASHDC RUEAIIA/CIA WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 BRASILIA 000791

SIPDIS

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TAGS: PGOV BR

SUBJECT: HOW SICK IS DILMA ROUSSEFF?

Classified By: Acting DCM Marie Damour, reasons 1.4 b and d.

- 11. (C) Summary. Dilma Rousseff, President Lula's choice to succeed him as president in January 2011, cast doubt over her viability as a presidential candidate when doctors discovered in March that she has lymphatic cancer. Observers say the Presidential Palace is being transparent about her condition and she will be able to run for president next year. With no good alternative PT candidate in sight, the PT stands to lose the election should Rousseff withdraw. Some believe her illness provides an opening for President Lula to seek a third consecutive term, despite his repeated avowals not to. Dilma looks well and if she can continue to look like a fighter and winner, it could help her win the election in October 2010. End summary.
- 12. (C) Dilma Rousseff, minister-chief of the civilian household and President Lula's top aide on domestic policy, was diagnosed with lymphatic cancer in March. Her doctors stated that her cancer was caught early and she has a 90 percent chance of a full recovery. She had lymph nodes under her left arm removed and began what was originally scheduled as a four month program of chemotherapy in April. In late May, she was briefly hospitalized on an emergency basis with pain in her legs, which was later attributed to an abrupt cessation of medication associated with the chemotherapy. Doctors said in the future she will taper off those drugs to avoid a recurrence. In the meantime, Rousseff said she would cut back on her schedule. By early June she had completed three chemotherapy sessions. In a June 18 meeting with a Washington visitor (septel), Rousseff looked well with good natural color and light make-up, and a top aide told the Ambassador that Rousseff was responding so well to chemotherapy that her sessions would be reduced from six to four, ending in late June.
- 13. (C) Journalists, analysts, and politicians tend to agree that the Presidential Palace is not hiding information related to her illness and is trying to be as transparent as possible but might be overly optimistic about her prognosis. Still, her illness has provoked speculation about who might replace her as the Workers' Party candidate in 2010 should she be too sick to run.
- 14. (C) Senator Tiao Viana (PT, of Acre), who is a physician, told poloff on June 9 that Dilma's illness is exactly what the GOB says it is: a case of lymphatic cancer caught early with a 90 percent chance of being fully cured. Viana also said that when her chemotherapy program is finished she should be considered cancer-free for five years. She will be able to campaign without restriction and should be fit enough for all the exertions that a national campaign will require,

#### Possible scenarios

- 15. (C) Several possible scenarios could emerge from Dilma's cancer. In one scenario, she and the PT inner circle might already know that she is much sicker than publicly revealed and too sick to be the candidate. In another, she might be well enough now to become the candidate but later be weakened by the illness and unable to campaign effectively. Another scenario, in harmony with the public statements by the GOB and Rousseff's doctors, is that she will respond well to chemotherapy and her cancer can be considered cured, or at least in remission.
- 16. (C) The first scenario seems less likely, since the PT gains no advantage by waiting to select and groom another candidate only 14 months before the election. In the absence of another strong contender, the longer the party waits to put forth another candidate, the harder it becomes to build him or her up and gain national name recognition. If Rousseff were too sick to run successfully, Lula and his inner circle would quickly move to put forth a viable alternative, although PT choices may be limited. Without an alternative within the PT, Lula would choose to delay replacing Rousseff if her recovery is slower than expected.
- 17. (C) The second scenario poses the greatest danger to the PT's desire to retain the presidency, and if chemotherapy is successful this scenario will not occur. But given the estimates that Rousseff's lymphoma has a 90 percent chance of

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being cured now, there is still a ten percent chance that Rousseff will face this scenario, and it would probably mean the loss of the presidency for the Workers' Party in 2010. Nonetheless, Lula and the PT may be choosing to believe the most optimistic prognosis when the reality could be a range of possibilities, with the 90/10 prognosis at the sunny end.

18. (C) The third scenario seems the most likely. Again, using the medical estimates, assuming the doctors are both correct and honest in their public statements, there is a 90% chance the cancer will be cured and Rousseff will be physically able to mount a strong campaign. Some analysts have noted that a "victory" over cancer will play in her favor and foster an image of her as a fighter and winner. Conversely, if she looks weak and defeated next year, voter support will flag. On June 18, poloff spoke with Paulo Delgado, a former five-term federal deputy for the PT (1987-2007), now a political consultant with the Federation of Industries of Sao Paulo (FIESP) and a monthly guest columnist for national daily O Globo. He suspects the presidential palace is uncertain about her condition but hopes she will be well enough to go the distance. Rousseff will have plenty of time to recover from the effects of chemotherapy before the October 2010 elections.

# In the wings

19. (C) What if Rousseff is no longer a viable candidate? Senator Viana said the most likely alternatives are Federal Deputy Antonio Palocci, the former finance minister who resigned in a scandal, and Gilberto Carvalho, the president's chief of staff. The Supreme Court is to decide this month whether to allow federal prosecutors to bring a case against Palocci in the Supreme Court. In this case, he would not be a viable candidate unless acquitted after trial, which could take a long time. Carvalho is not nationally known, and the PT would face an uphill battle to build name recognition. In his current portfolio he lacks a vehicle to put him before the public, unlike Rousseff, who as the "mother of the PAC," (the Accelerated Growth Program, a massive public works program) is regularly seen in a leading role at public works inaugurations. Other than Carvalho and Palocci, there are no obvious alternatives from within the Workers' Party.

Although there are five governors from the PT, none is now widely viewed as presidential material, and PT members of congress would all be very dark horses starting from the back of the pack. Occasionally the name of Patrus Ananias, the minister for Social Development and the Combat against Hunger, is mentioned. Like Carvalho, he is not well-known, but has the advantage of administering the Bolsa Familia (Family Stipend) program, the flagship social program of the Lula administration with national name recognition.

#### Governor Neves to the rescue?

110. (C) The wild card in everyone's calculations is Governor Aecio Neves (PSDB, opposition), of Minas Gerais. Speculation about Neves's presidential ambitions has long been rife, often focusing on a possible switch to the Brazilian Democratic Movement Party (PMDB, a non-ideological party in the government coalition). Delgado said another scenario is more likely: should Rousseff not be able to run, Neves could move to the Brazilian Socialist Party (PSB) or the Green Party (PV) and run with the support of the Workers' Party. Neves has been careful to maintain good relations with Lula and the PT, and PT support for his candidacy is plausible, especially to beat Sao Paulo Governor Jose Serra (PSDB), who now has an edge over all other possible candidates in early polls. However, there is also speculation that Neves has an arrangement with Serra to support Serra's candidacy in 2010 in return for becoming Serra's choice as his successor. If Neves is to run for president for a different party, he must resign from the governorship by early October because he cannot switch parties less than a year before the election, and were he to switch without resigning, the PSDB would sue to reclaim the governor's seat and remove him office.

### President Lula to the rescue?

111. (C) There is always speculation about a third consecutive term for Lula, which would require a constitutional amendment. President Lula has repeatedly (and convincingly) stated publicly that he is against it. Nonetheless, there is

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considerable mistrust of Lula and the PT on this subject, even among allied parties. Federal Deputy George Hilton (Progressive Party - PP, of Minas Gerais) told poloff on June 17 that he believes Rousseff's illness could be worse than publicly admitted but the Presidential Palace and/or the PT are maintaining her candidacy so that later this year they could drop her and, with no alternative in sight, force Lula to change his mind, let Congress amend the Constitution, and have him run for a third term. (Comment: This scenario is highly implausible, but this and similar lines of thinking will always find followers among those who do not trust Lula and the PT. End comment.) Delgado pointed out that Lula has never categorically closed the door to running for a third term and one should not rule out such a turn of events.

(C) Comment. When Rousseff's illness was first made public, the Lula government rushed to give optimistic predictions for Rousseff's health when it was too early for a reliable prognosis. This indicates some wishful thinking on the part of Lula and top government figures. Rousseff's illness has also exposed a vulnerability in the PT that it did not have only a few years ago, when it could point to several star-power governors and congressmen. Those stars for one reasons or another have now faded, and the party has adopted Dilma Rousseff, the choice of Lula, its senior leader, for better, for worse, in sickness and in health. she is sicker than publicly stated, and cannot effectively campaign and be elected Lula's successor, Lula is making a colossal gamble that will be increasingly harder to unmake as time passes. But by all appearances, Dilma is doing well, and a winning and healthy appearance could help her to close the gap in polls with Serra and contest the election in October 2010. SOBEL